

rather than fulfilling a single, specific function nationwide. TVA undertook many duties that other Federal agencies were actively pursuing in other parts of the country, just as it does today, but TVA also undertook services which addressed the economic and natural problems unique to the Tennessee River watershed. TVA's charter was very broad and designed to give the agency leeway to address the region's interrelated needs of flood control, improved farming methods and conservation, rural electrification, and economic development as a single coordinating and executing body.

TVA undertook ambitious conservation, economic development, flood control, and electrification projects. The Tennessee River was tamed and became more readily navigable; topsoil loss and declining agricultural productivity had been stopped or even reversed; isolated families received electricity in their homes and workplaces; and the economy was expanding. By the 1950's the Nation's economy was strong and growing, and the economic gap between the Tennessee Valley region and the Nation as a whole was narrowing. By the 1980's, that gap no longer existed.

In a region that boasted a strong independent tradition and a general skepticism about the benefits of the Federal Government, the TVA had become viewed as more than just a benevolent hand providing economic opportunity and security to the depressed region, it became an integral part of the region's identity. In the minds of Tennesseans, TVA was credited with bringing the region out of poverty, depression, and existence at the mercy of nature.

Since its inception, TVA's mission has evolved, and the organization today is very different than in 1933. In 1959 the TVA Act was amended to fully separate the U.S. Treasury from the rapidly expanding TVA power program, which had seen an initial round of growth associated with the national security activities in Oak Ridge during the Second World War, but had continued to expand its size and revenues for regional industrial and residential consumption. TVA power would no longer rely on the support of taxpayers nationwide, but was thereafter dependent on the ratepayers and lenders to provide all operation expenses. TVA's power program far eclipsed the other original missions of conservation, flood control, and navigation from which had been separated. Today, TVA is one of the largest electric utilities in the world, with a revenue stream in excess of \$5 billion per year.

That's an impressive growth, but it didn't come without associated problems—some of them very serious. In the 1960's and 1970's, TVA began an ambitious nuclear powerplant construction program, borrowing heavily from public and private sources. Like other utilities that invested in nuclear power, TVA overextended itself badly as the costs of construction and fueling

the plants rose dramatically and the regulatory bar moved ever higher. TVA continued to go further into debt, and today its liability now exceeds a truly staggering \$27 billion.

TVA's benevolent role in the life of the region has also come into question. Decisions and behavior that many Tennesseans are now viewing as simply an extension of a grossly overgrown Federal bureaucracy in general, and a betrayal of the original benevolent mission envisioned for TVA in the formative act, served to end an era of trust between ratepayers and TVA. More worrisome, though, is that the errors in strategy and judgment have put the health, liability, and even the existence of TVA in jeopardy.

At its root, I believe, is the fact that TVA was allowed to fundamentally change its mission and to begin operating as a self-financing electric utility without the necessary structural changes. While TVA power grew rapidly as consequence, it still maintained the management and corporate structure of its original Depression-era mission of conservation, flood control, navigation, and economic development.

Yesterday, I introduced legislation to address those problems, and to make changes in the decisionmaking body of TVA that will more closely reflect its needs and the demands of the ratepayers and taxpayers. These are changes which, in truth, should have been incorporated into the TVA Act the day TVA became a self-financing corporation in 1959.

Under my TVA Modernization Act, the board of directors will grow from three full-time members to nine part-time members, and each member must have corporate management or a strong strategic decisionmaking background. My bill also shortens the members' terms from the current 9 years to staggered 5-year terms.

The expanded board would establish long-range goals and policies for TVA, as well as approve the annual budget and conduct public hearings on policies that have a major effect on ratepayers in the valley. The board will also determine electricity rates and ensure that independent audits of the corporation's management are conducted.

But unlike the current board, the expanded board will not be involved in the day-to-day management of TVA. Instead, it will appoint an independent chief executive officer to manage the corporation—much like businesses of its size throughout the country have done for decades.

While the President will retain the sole authority to appoint new board members, my bill will ensure that candidates have the business background necessary to take this \$6 billion corporation into the 21st century and a new era of deregulation. By requiring that no more than five members come from a single party affiliation, it will also help ensure that the board never becomes politicized. Together with an independent CEO, we can help avoid

the type of decisions and missteps that have saddled TVA with more than \$27 billion in debt over the years.

Once enacted, the bill would take effect on May 18, 1999—exactly 66 years after the original TVA Act took effect. Current board members whose terms don't expire until after 1999 may remain on the board as part-time members, along with the President's seven new appointees. Part-time board members will receive an annual stipend and per diem pay for their services, the total of which will not exceed \$35,000 per year. And instead of having a Presidentially designated chairman of the board, members will elect their chairman.

TVA has experienced enormous growth over the years, from a Depression-era conservation and public works program to a multibillion-dollar electric utility. It's time we give TVA and ratepayers in the valley a management structure that's more responsive and stable and that can help this important agency face the upcoming dramatic changes in the electric utilities industry as effectively and efficiently as possible.●

EXPLANATION OF VOTES ON THE AGRICULTURE APPROPRIATIONS BILL

● Mr. ABRAHAM. Mr. President, I rise today to explain my final vote on the fiscal year 1998 appropriations bill. The last amendment to this legislation was a second attempt by Senator HARKIN to fully fund FDA efforts to prevent underage smoking. Specifically, the amendment sought to fully fund a program which was established to punish establishments that sell tobacco to individuals under 18 years of age.

I support efforts to curb underage smoking. Unfortunately, I was forced to vote against Senator HARKIN's first attempt to fund this program because the amendment's offset would have imposed a new, \$34 million tax. The majority of Senators shared my concerns and the amendment failed by a 52 to 48 margin. In recognition of that shortfall, the amendment which Senator Harkin reintroduced identified a new, noncontroversial offset from a minor USDA program. In light of this new funding source, I was pleased to vote in support of the Harkin amendment. The motion to table the Harkin amendment subsequently failed by a 28 to 70 margin and the amendment was agreed to.

It is my hope, Mr. President, that the conferees can move quickly to resolve the differences between the House and Senate bills and allow us to vote on the conference report in the coming weeks.●

SOJOURNER TRUTH

● Mr. LEVIN. Mr. President, I rise today to honor Sojourner Truth, a leader in the abolitionist movement and a ground breaking speaker on behalf of equality for women. The 200th